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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Updated financial position of closed peacekeeping missions as at 30 June 2012

Report of the Secretary-General

Summary

The present report provides information on the updated financial position of 24 closed peacekeeping missions as at 30 June 2012. Five missions had cash deficits owing to outstanding payments of assessed contributions, while nineteen had cash surpluses available for credit to Member States totalling $28.2 million.

For the 19 missions with cash surpluses, the Secretary-General recommends the retention of the surplus cash in order to provide liquidity for the active peacekeeping missions in the light of the recent experience of cross-borrowing from the closed peacekeeping missions.

As regards the five missions with cash deficits, the Secretary-General proposed in his report on the updated financial position of closed peacekeeping missions as at 30 June 2011 (A/66/665) some options for the consideration of the General Assembly, in order to address the issue of outstanding dues to Member States, as requested by the Assembly in its resolution 65/293.

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I. Introduction

1. The present report provides updated information on the financial position of the following closed peacekeeping missions for which final performance reports have been issued: Military Observer Group of the United Nations Verification Mission in Guatemala (MINUGUA); United Nations Mission in the Central African Republic (MINURCA); United Nations Operation in Burundi (ONUB); United Nations Observer Group in Central America (ONUCA) and United Nations Observer Mission in El Salvador (ONUSAL); United Nations Operation in Mozambique (ONUMOZ); United Nations Mission in Sierra Leone (UNAMSIL) and United Nations Observer Mission in Sierra Leone (UNOMSIL); United Nations Angola Verification Mission (UNAVEM) and United Nations Observer Mission in Angola (MONUA); United Nations Iran-Iraq Military Observer Group (UNIIMOG); United Nations Iraq-Kuwait Observation Mission (UNIKOM); United Nations Mission in Ethiopia and Eritrea (UNMEE); United Nations Mission in Bosnia and Herzegovina (UNMIBH); United Nations Mission in Haiti (UNMIH); United Nations Military Liaison Team in Cambodia (UNMLT); United Nations Mission of Observers in Tajikistan (UNMOT); United Nations Observer Mission in Liberia (UNOMIL); United Nations Observer Mission Uganda-Rwanda (UNOMUR) and United Nations Assistance Mission for Rwanda (UNAMIR); United Nations Operation in Somalia (UNOSOM); United Nations Peace Forces (UNPF); United Nations Preventive Deployment Force (UNPREDEP); United Nations Support Mission in Haiti (UNSMIH), United Nations Transition Mission in Haiti (UNTMIH) and United Nations Civilian Police Mission in Haiti (MIPONUH); United Nations Transitional Authority in Cambodia (UNTAC); United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES) and Civilian Police Support Group; United Nations Transitional Administration in East Timor (UNTAET) and United Nations Mission of Support in East Timor (UNMISET); and United Nations Transition Assistance Group (UNTAG).

2. As at 30 June 2012, 19 of the 24 peacekeeping missions covered in the present report had cash surpluses available for credit to Member States totalling $28,188,000 as set out in table 1.

Table 1

Consolidated net cash position of ONUB, ONUCA/ONUSAL, ONUMOZ, UNAMSIL/UNOMSIL, UNAVEM/MONUA, UNIIMOG, UNIKOM, UNMEE, UNMIBH, UNMIH, UNMLT, UNMOT, UNOMIL, UNOMUR/UNAMIR, UNPF, UNPREDEP, UNTAES/Civilian Police Support Group, UNTAET/UNMISET and UNTAG as at 30 June 2012

(Thousands of United States dollars)

Description	*Amount*
Cash assets	211 047
Less: other liabilities	182 859
Net cash available for credit to Member States as at 30 June 2012	**28 188**

3. The composition of the net cash balance of $28,188,000 is broken down by mission in table 2.

Table 2
Closed peacekeeping missions with net cash balances as at 30 June 2012
(Thousands of United States dollars)

Mission	*Amount*
ONUB	600
ONUCA/ONUSAL	134
ONUMOZ	31
UNAMSIL/UNOMSIL	718
UNAVEM/MONUA	6 382
UNIIMOG	134
UNIKOM	93
UNMEE	1 903
UNMIBH	503
UNMIH	1 814
UNMLT	4
UNMOT	91
UNOMIL	143
UNOMUR/UNAMIR	4 113
UNPF	8 791
UNPREDEP	361
UNTAES/Civilian Police Support Group	402
UNTAET/UNMISET	1 677
UNTAG	294
Total	**28 188**

4. The amount of $28,188,000 shown in tables 1 and 2 does not take into account $10,816,000 owed by two closed peacekeeping missions ($7,366,000 by UNSMIH/UNTMIH/MIPONUH and $3,450,000 by MINURCA) and another $51,000,000 owed by three active peacekeeping missions, including $16,500,000 by the United Nations Mission for the Referendum in Western Sahara (MINURSO), $31,500,000 by the United Nations Interim Administration Mission in Kosovo (UNMIK) and $3,000,000 by the United Nations Supervision Mission in the Syrian Arab Republic (UNSMIS), which remained unpaid as at 30 June 2012. As at 30 November 2012, the outstanding loans owed by active peacekeeping missions totalled $23,000,000 including $19,500,000 by UNMIK and $3,500,000 by MINURSO.

5. Five of the peacekeeping missions covered in the present report had cash deficits totalling $86,719,000 as at 30 June 2012, owing to outstanding payments of assessed contributions, as shown in table 3.

Table 3
Consolidated net cash position of the MINUGUA Military Observer Group, MINURCA, UNOSOM, UNSMIH/UNTMIH/MIPONUH and UNTAC as at 30 June 2012
(Thousands of United States dollars)

Category	*Amount*
Cash assets	490
Less: liabilities	87 209
Operating deficit as at 30 June 2012	**(86 719)**

6. The liabilities included loans amounting to $23,636,000 owed to closed peacekeeping missions ($10,816,000) and to the Peacekeeping Reserve Fund ($12,820,000). The operating deficit of $86,719,000 is broken down by mission in table 4.

Table 4
Closed peacekeeping missions with cash deficits as at 30 June 2012
(Thousands of United States dollars)

Mission	*Amount*
MINUGUA Military Observer Group	(125)
MINURCA	(23 822)
UNOSOM	(15 438)
UNSMIH/UNTMIH/MIPONUH	(7 275)
UNTAC	(40 059)
Total	**(86 719)**

II. Cash requirements of the Organization

7. As a result of the inherent unpredictability of receipts of assessed contributions, liquidity in peacekeeping missions is volatile, with cash surpluses of closed missions remaining the only source for alleviating the cash shortages for active peacekeeping operations. In accordance with financing resolutions of the General Assembly, notifications are issued to Member States for their assessed contributions to active peacekeeping missions up to the end of the mandate period for each mission as authorized by the Security Council. Experience has shown that there is a significant time lag, often ranging from about 60 to 120 days, between the issuance of notifications to Member States and the receipt of assessed contributions. Pending the payment of assessed contributions, any cash shortfalls for active missions have to be met from loans from closed peacekeeping missions.

8. As a result of outstanding assessments in the special accounts of some active missions, there has been a continuing need to borrow from closed missions. Cross-borrowing was required in the 2010/11 financial period for four active operations, namely, MINURSO, UNMIK, the United Nations Peacekeeping Force in Cyprus

(UNFICYP) and the United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO), for a total of $88.9 million. Cross-borrowing increased to $118 million in the 2011/12 financial period for seven active operations, namely, MINURSO, the United Nations Integrated Mission in Timor-Leste (UNMIT), UNFICYP, the United Nations Operation in Côte d'Ivoire (UNOCI), the United Nations Support Office for the African Union Mission in Somalia (UNSOA), UNMIK and UNSMIS. Additional cross-borrowing of $11 million from the accounts of closed peacekeeping operations has been required so far during the 2012/13 financial period for three active missions, namely MINURSO, UNMIK and UNSMIS. Furthermore, the amount required for cross-borrowing by active missions peaked during the 2011/12 financial period at $93 million in September 2011 and during the first five months of the current period at $62 million in July 2012. Borrowings, settlements and peak levels of borrowing from July 2008 to November 2012 are reflected in annexes III and IV.

9. In the light of the reduced net cash balance available for return to Member States as at 30 June 2012, compared to 30 June 2010, and the recent experience of significant peak levels of borrowing, it is proposed to retain the net cash balance of $28.2 million available in 19 closed missions as at 30 June 2012. This net cash balance, combined with the $51 million borrowed by active missions as at 30 June 2012, can provide $79.2 million of cross-borrowing capacity to manage cash shortfalls in active peacekeeping operations.

III. Outstanding dues to Member States in cash deficit missions

10. As requested by the General Assembly in its resolution 65/293, the Secretary-General made proposals in his report on the updated financial position of closed peacekeeping missions as at 30 June 2011 (A/66/665) to address the issue of outstanding dues to Member States from closed peacekeeping missions with net cash deficits.

11. As at 30 June 2011 and 30 June 2012, $63.1 million was owed to troop- and police-contributing countries by closed peacekeeping missions with cash deficits. The Secretary-General had proposed either to borrow, or to transfer permanently, a portion of the unencumbered balance and other income of the special account for the African Union-United Nations Hybrid Operation in Darfur (UNAMID) as at 30 June 2011 to the closed peacekeeping missions with cash deficits in order to settle the $63.1 million owed to troop- and police-contributing countries (A/66/665, paras. 13-14). As at 30 June 2012, the unencumbered balance and other income of the special account of UNAMID amounted to $150.4 million.

IV. Actions to be taken by the General Assembly

12. **The actions to be taken by the General Assembly are:**

(a) **To take note of the present report;**

(b) **To approve the retention of the net cash balance of $28.2 million available in 19 closed peacekeeping missions in the light of the experience regarding cash requirements of the Organization during the 2011/12 and 2012/13 financial periods.**

Annex I

Unpaid assessments, accounts payable to Member States and other liabilities of closed peacekeeping missions as at 30 June 2012

(Thousands of United States dollars)

Mission	*Unpaid assessments*	*Accounts payable to Member States*[a]	*Other liabilities*
MINUGUA Military Observer Group	145	–	125
MINURCA	35 545	7 480	16 462
ONUB	785	1 677	24
ONUCA/ONUSAL	312	2 220	–
ONUMOZ	16 703	537	–
UNAMSIL/UNOMSIL	728	11 705	9
UNAVEM/MONUA	34 893	9 330	–
UNIIMOG	10	2 747	–
UNIKOM	520	1 876	–
UNMEE	154	8 434	57
UNMIBH	33 949	9 128	43
UNMIH	14	36 153	–
UNMLT	–	95	1
UNMOT	1	1 920	1
UNOMIL	4	3 001	–
UNOMUR/UNAMIR	1 328	10 109	5
UNOSOM	57 810	15 561	–
UNPF	137 825	58 210	7
UNPREDEP	1 238	9 349	–
UNSMIH/UNTMIH/MIPONUH	19 390	114	7 366
UNTAC	40 453	40 101	–
UNTAES/Civilian Police Support Group	8 725	8 798	–
UNTAET/UNMISET	27 363	4 159	–
UNTAG	15	3 229	–
Total	**417 910**	**245 967**	**24 101**

[a] Inclusive of amounts owed to troop-contributing countries for contingent-owned equipment, as well as credits to Member States from unencumbered balances pending instructions on their disposition.

Annex II

Outstanding claims in closed missions with cash deficits as at 30 June 2012

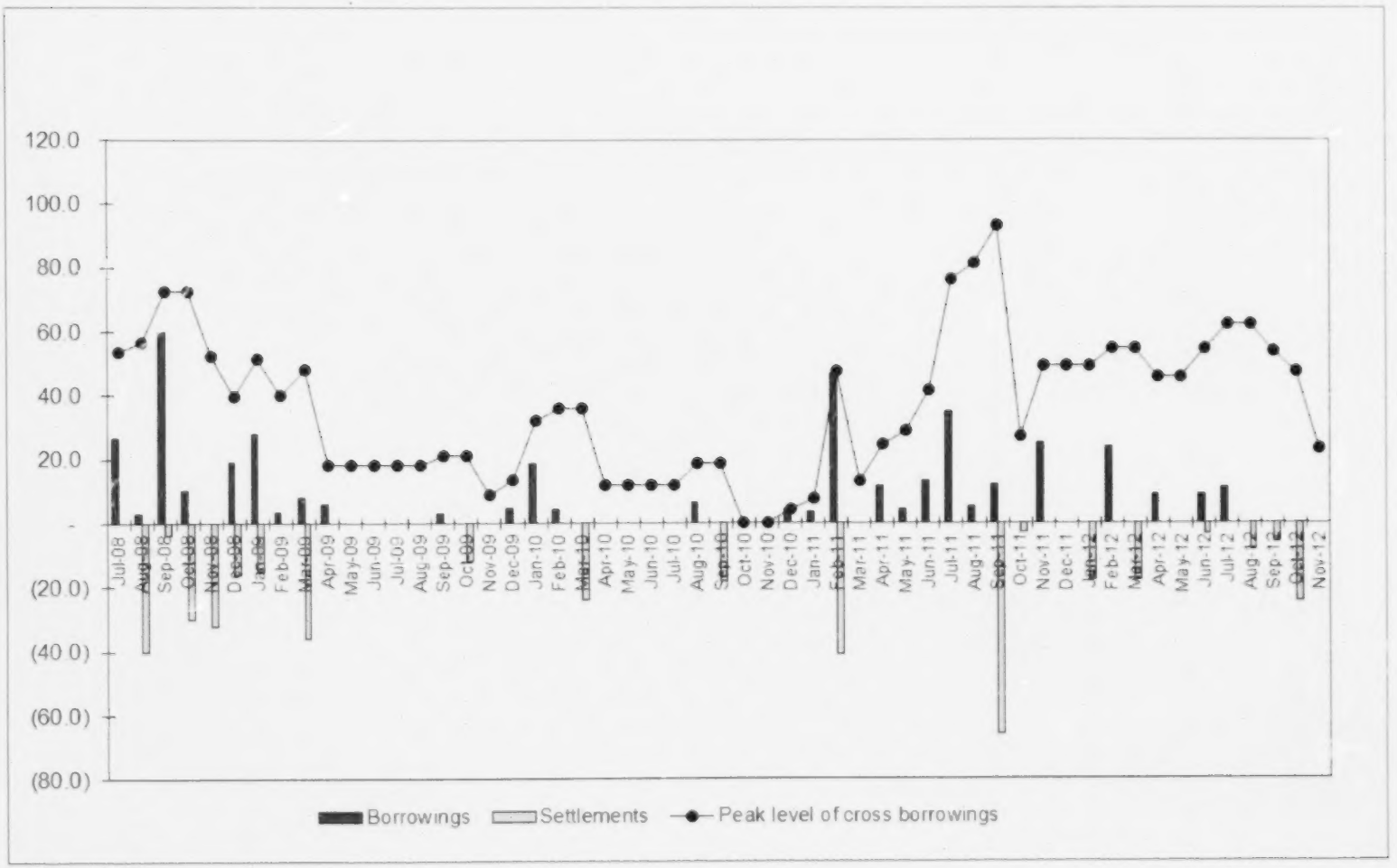
(Thousands of United States dollars)

	Contingent-owned equipment	*Letters of assist*	*Total*
MINURCA	7 477	3	**7 480**
UNOSOM	12 453	3 037	**15 490**
UNSMIH/UNTMIH/MIPONUH	–	114	**114**
UNTAC	21 910	18 086	**39 996**
Total	**41 840**	**21 240**	**63 080**

Annex III

Borrowings by active missions from closed peacekeeping missions, July 2008 to 16 October 2012

(Millions of United States dollars)



Annex IV

Borrowings, settlements and peak levels of cross-borrowing by active missions from closed missions for the period from 1 July 2008 to 30 November 2012

(Millions of United States dollars)

Month, year	*Borrowings*	*Settlements*	*Balance*	*Peak level*	*Month, year*	*Borrowings*	*Settlements*	*Balance*	*Peak level*	*Month, year*	*Borrowings*	*Settlements*	*Balance*	*Peak level*
July 2008	26.5	–	53.5	53.5	July 2010	–	–	12.0	12.0	July 2012	11.0	–	62.0	62.0
August 2008	3.0	(40.0)	16.5	56.5	August 2010	6.4	–	18.4	18.4	August 2012	–	(8.5)	53.5	62.0
September 2008	60.0	(4.0)	72.5	72.5	September 2010	–	(18.4)	–	18.4	September 2012	–	(6.0)	47.5	53.5
October 2008	10.0	(30.0)	52.5	72.5	October 2010	–	–	–	–	October 2012	–	(24.5)	23.0	47.5
November 2008	–	(32.0)	20.5	52.5	November 2010	–	–	–	–	November 2012	–	–	23.0	23.0
December 2008	19.0	(16.0)	23.5	39.5	December 2010	4.0	–	4.0	4.0					
January 2009	28.0	(15.0)	36.5	51.5	January 2011	3.5	–	7.5	7.5					
February 2009	3.5	–	40.0	40.0	February 2011	46.5	(41.0)	13.0	47.5					
March 2009	8.0	(36.0)	12.0	48.0	March 2011	–	–	13.0	13.0					
April 2009	6.0	–	18.0	18.0	April 2011	11.5	–	24.5	24.5					
May 2009	–	–	18.0	18.0	May 2011	4.0	–	28.5	28.5					
June 2009	–	–	18.0	18.0	June 2011	13.0	–	41.5	41.5					
July 2009	–	–	18.0	18.0	July 2011	34.5	–	76.0	76.0					
August 2009	–	–	18.0	18.0	August 2011	5.0	–	81.0	81.0					
September 2009	3.0	–	21.0	21.0	September 2011	12.0	(66.0)	27.0	93.0					
October 2009	–	(12.0)	9.0	21.0	October 2011	–	(3.0)	24.0	27.0					
November 2009	–	–	9.0	9.0	November 2011	25.0	–	49.0	49.0					
December 2009	4.5	–	13.5	13.5	December 2011	–	–	49.0	49.0					
January 2010	18.5	–	32.0	32.0	January 2012	–	(18.0)	31.0	49.0					
February 2010	4.0	–	36.0	36.0	February 2012	23.5	–	54.5	54.5					
March 2010	–	(24.0)	12.0	36.0	March 2012	–	(18.0)	36.5	54.5					
April 2010	–	–	12.0	12.0	April 2012	9.0	–	45.5	45.5					
May 2010	–	–	12.0	12.0	May 2012	–	–	45.5	45.5					
June 2010	–	–	12.0	12.0	June 2012	9.0	(3.5)	51.0	54.5					